

Effective 5/10/2016

11-13-608 Termination of associated entity or segment.

- (1) The termination of a segment does not affect the segment's or the segment's associated entity's limitation on liabilities under this part.
- (2) A segment is terminated upon the termination of the segment's associated entity.
- (3)
 - (a) Subject to Subsection (3)(b), the termination of a segment's associated entity or a segment may not affect the liability of the governing board, the governing body, a member of the governing board, a member of the governing body, an officer, an official, a contractor, or an employee for an action authorized:
 - (i) before the termination of the associated entity or the segment by the governing board of the terminated associated entity or by the governing body of the terminated segment; or
 - (ii) after the termination of the associated entity or the segment by:
 - (A) a majority of individuals serving as members of the governing board of the terminated associated entity at the time the associated entity is terminated; or
 - (B) a majority of the individuals serving as members of the governing body of the terminated segment at the time the segment is terminated.
 - (b) Subsection (3)(a) applies to each action to:
 - (i) provide for the claims, debts, obligations, or liabilities of the terminated associated entity or the terminated segment; or
 - (ii) otherwise wind up the affairs of the terminated associated entity or the terminated segment.

Enacted by Chapter 382, 2016 General Session